Inquiry into IPO scam

2269. SHRI GIREESH KUMAR SANGHI:
SHRI SANTOSH BAGRODIA:

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether he has recently indicated that his Ministry proposes to look into the recent IPO scam;

(b) if so, whether this enquiry would be independent of the inquiries being conducted by the RBI and SEBI; and

(c) if so, the details of its terms of reference?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) Yes, Sir.

(c) To ascertain the role played by different persons and companies involved in cornering of shares issued through IPOs of Yes Bank and IDFC through multiple applications and to enable legal action against the same under Companies Act, 1956.

Dual responsibility of investors

2270. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that some of the institutional investors in the country have fiduciary responsibility while many investors have only corporate responsibility in terms of protecting the return on their investments;

(b) if so, whether Government propose to address this dichotomy with details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Several classes of investors operate in Capital Market, including institutional and corporate investors. Both institutional as well corporate investors have fiduciary and corporate responsibilities in respect of the investments made by them. Fiduciary responsibilities of investors, however, would vary depending upon the stakeholders represented by them.

(b) and (c) Keeping in view the complexities involved in capital market operations due to multiplicity of interest and stakeholders involved,